

MINUTES OF THE LITTLE CALUMET RIVER BASIN DEVELOPMENT COMMISSION
HELD AT 6:00 P.M. WEDNESDAY, MARCH 2, 2005
6100 SOUTHPORT ROAD
PORTAGE, INDIANA

Chairman William Biller called the meeting to order at 6:10 p.m. Eight (8) Commissioners were present. Pledge of Allegiance was recited. The guests were recognized.

Development Commissioners:

Charlie Ray
Arlene Colvin
Robert Huffman
John Mroczkowski
George Carlson
Steve Davis
William Biller
Mark Reshkin

Visitors:

Sandy O'Brien - Hobart
Elizabeth Johnson – Congressman's Office
Imad Samara – Army Corps
Bill Petrites – Highland resident

Staff:

Dan Gardner
Lou Casale
Sandy Mordus
Jim Pokrajac
Judy Vamos

A motion to approve the February 2, 2005 minutes was made by Bob Huffman; motion was seconded by George Carlson; motion passed unanimously.

Chairperson's Report – Chairman Bill Biller offered the Commission's condolences to Dan Gardner on the passing of his mother.

- Chairman Biller referred to the new phone list/committee list distributed.
- Chairman Biller talked about the February 15th meeting in the Mayor's office in Hammond. Although the Mayor was not present, his representatives voiced the Mayor's concern about moving forward as quickly as we are able. The City has even offered to fund appraisal fees to move forward. They would like us to focus on Stage V-2A (Kennedy to NSRR). Once that section were built, it would take portions of Hammond and Highland out of the floodplain. Land Acquisition Agent Judy Vamos distributed copies of a schedule for V-2A that included 25 total easement acquisitions (including 14 residential, 4 commercial, 4 municipal, 2 utility easements and 2 railroad easements). He stated that it is the Commission's intent to move all of Stage V-2 to construction as soon as possible, thus allowing for the first segment to be eligible to be removed from the floodplain.

Executive Director's Report – Mr. Gardner reported that in our need to move forward with O&M with the city of Gary, we have contracted with Austgen Electric to do diagnostics on the remaining Gary pump stations. We first need to make sure the pump stations are in operational condition before Gary would assume O&M responsibilities.

- We have received a letter from David Wright, Director of Planning for the city of Gary, that proposes a development in the area of 35th and Grant when Gary comes out of the floodplain. It is very important that we work out an agreement with Gary for O&M as soon as possible. This affects both east reach removal from the floodplain and the ability to let contracts in the west reach (per the IDNR permit). The agreement has to be in place before FEMA will remove Gary from the floodplain. It is also required to complete the remaining Burr Street construction. It is planned that the Commission's portion of Burr Street Phase II can be built with new monies from the 2005-2007 state budget. Attorney Casale confirmed with Arlene Colvin that at the next meeting, the mayor should be present. Once all flood control features have been accepted by the city of Gary for O&M responsibility, the city could move forward with their plan. Commissioner Mark Reshkin questioned whether their plan fits in with development of O&M that represents the

whole project area and whether it fits in with the MS4 plan. Imad Samara added that the Army Corps does not have to comply with the MS4 plan; the owner of the property does. Jim Pokrajac added that we will check previous easements with Gary to see if some of their development plan is in ponding/flowage areas. It was also stated that Highland and Hammond have already entered into agreements to assume responsibilities for O&M on their respective pump stations.

- Mr. Gardner talked about his phone call with Imad Samara regarding their Federal funding situation. Imad Samara stated that the President has revealed his budget, in which there is no funding for the Chicago Corps Little Cal water project at this point in time. Imad also added that this is only the first step. The budget has to go through Congress, Senate, and Conference. He is hopeful that funding will be forthcoming. He has been told to move forward and not slow anything down. Mr. Gardner added that the Commission is moving ahead as quickly as we can to be in a position to sign the ROE according to the Corps schedule.

Marina Committee – Committee Chairman Charlie Ray give the Marina report. He talked about the city of Portage wanting the marina property transferred to them. Portage would then complete the construction of the remaining required slips. There is about \$490,000 remaining on the revenue bond owed to Bank One that the city would continue paying (from original \$720,000). The city would assume everything; the Commission would be released from all previous responsibility. Mr. Gardner distributed an outline of the staff recommendation regarding the transfer of the interest of the Commission in the marina to the city of Portage. With the Board approving this outline of action, it would put together a Task Force that would deal with the issues to cause a property transfer, i.e. (1) responsibilities to the Federal government regarding the breakwaters, handrails, and the building and operation of the appropriate public marina facilities; (2) transfer of the responsibility of payment of the revenue bond from the Commission directly to the City; (3) the State of Indiana Disposal of Surplus Property Act regarding the transfer of State property to a municipality and the repayment/waiver of State dollars invested in the project; and (4) release from responsibility of the ground lease with NIPSCO as the result of the ownership transfer. Attorney Casale added that it would involve more parties than just the Commission and the City, but it is possible; with Board approval, we can begin the process. Commissioner Mark Reshkin added that he was in favor of it as long as it reduces our marina responsibility so we can concentrate on flood control. Commissioner Bob Huffman stated that we need to put a dollar value on what we're giving up; and what we're gaining from this. Charlie Ray added that the Congressman wants to see this transfer happen as it would fit in with his Marquette Plan development. The Congressman thinks we should concentrate on putting up levees. Mr. Gardner asked the Commission to consider the outline of action. With that, Mark Reshkin made a motion for the Marina committee and staff to pursue the necessary steps to begin the process to accomplish the transfer; motion seconded by Bob Huffman; motion passed unanimously.

- Charlie Ray reported that the city of Portage had a meeting yesterday on the lakefront development plan where Dan Gardner and Commissioner Steve Davis attended. Mr. Gardner added that it is a great plan but very progressive. The Portage Public marina fits in nicely with the plan. Commissioner Bob Huffman asked if the plan is in compliance with the Marquette Plan and Mr. Gardner answered that it was an outgrowth of implementing the more general recommendation in the Marquette Plan.

Finance Committee – Treasurer Arlene Colvin presented the financial report and the claim sheet for February. She proceeded to make a motion to approve the claims; motion seconded by Bob Huffman; motion passed unanimously.

- Charlie Ray questioned the large amounts of monies for M-1, M-2 and M-4. Mr. Gardner answered that with these three property purchases, our obligation for lands needed for mitigation will be completed.

- Ms. Colvin referred to the letter we sent to the Corps acknowledging the placement of the \$472,500 for the local cash share contribution for FY2005 into the escrow account.

- Ms. Colvin then referred to the sheet listing out the Commission's current insurance policies (for information only).

- Ms. Colvin then proceeded to make a motion to approve the pending O&M claims totaling \$174.73; motion seconded by George Carlson; motion passed unanimously.

- Bob Huffman asked if there was any progress on 3120 Gerry Street. Jim Pokrajac answered that Mark Goodrich (from Attorney Casale's office) is trying to work with the State to release us from an obligation to perform a Phase 1

Environmental Report on the house. It is estimated that the cost would be \$1,500 to \$2,000; the only bid that came in for the house was only for \$7,000.

Land Acquisition/Land Management Committee – In Committee Chairman Bob Marszalek's absence, Arlene Colvin gave the report. She reported that there are no condemnations or no increased offers.

- Ms. Colvin reported that bids were received on the four farming areas that we advertised.

- Area #1 – Ms. Colvin made a motion to accept the bid from Tim & Ed Bult in the about of \$76.25/acre (about \$10,675 for ±140 acres outside the line of protection; motion seconded by Bob Huffman; motion passed unanimously.

- Area #2 – Ms. Colvin made a motion to accept the bid from Tim & Ed Bult in the amount of \$2,600 as a lump sum to farm approximately 200 acres between the levees; motion seconded by Bob Huffman; motion passed unanimously.

- Area #3 – Ms. Colvin made a motion to accept the bid from Gary Dunlap in the amount of \$61/acre (about \$5,246) for ±86 acres); motion seconded by Bob Huffman; motion passed unanimously.

- Area #4 – Ms. Colvin made a motion to accept the bid from Jerry Ewen in the amount of \$66/acre (about \$3,432) for ±52 acres; motion seconded by Bob Huffman; motion passed unanimously.

- Charlie Ray asked if these areas needed to be pumped in order that they can be farmed. Jim Pokrajac stated that the Commission will not be paying any pumping costs. The farming area that would most likely require pumping has been bid out as a lump sum as is.

- Attorney Casale added that he is working on three easement acquisitions in the Industrial Park Area in Stage VI-1 North. Once those easements are acquired, that will finish up the easements needed there. He is hopeful to acquire those easements by the end of the month. We should have the known amounts at the next meeting.

Project Engineering Committee – Committee Chairman Bob Huffman reported that we have received construction status reports from the Corps on the Landscaping Phase 2 contract, Stage III Remediation contract, In-Project litigation contract, and the Pump Station 1A contract.

- Mr. Huffman referred to the attachment in the Engineering Report on the Pump Station 1A contract. There has been no progress. The Corps is still considering their options to end this contract with Overstreet.

- Stage V Phase 2A (Kennedy to NSRR) was discussed. This is the first area that, if constructed, would allow parts of Hammond and Highland to come out of the floodplain eastward to Cline Avenue. Mayor McDermott requested we pursue easement acquisitions in this area.

- Mr. Huffman reported that a letter was sent to the Lake County Surveyor's Office concerning the Hartsdale Pond clay issue.

- Mr. Huffman reported that a letter was sent to the Corps addressing the current review process.

- Imad Samara stated that the contract for Stage VI Phase 1 South has been awarded and construction should be starting this month. The next stage to be constructed is Stage VI-2 (Liable to Cline, south of the river) and then Stage VI Phase 1 North (Cline to Kennedy, north of the river). It is anticipated that construction should start in this summer for these two stages.

- Chairman Biller asked if we advertise these contracts in local newspapers. Discussion was held on this issue. Jim Pokrajac said we will advertise in the Times and Post Tribune and send a notice to local contractors to make them aware. Most local contractors do not routinely access the Army Corps web site to see what construction contracts are available for bid. Imad Samara added that it usually takes about two weeks from opening bids to award.

Operation & Maintenance Committee – Committee Chairman Bob Huffman reported that Austgen Electric has been contracted to do diagnostics for the three remaining pump stations in Gary. Before Gary will assume O&M, the pump stations must be in working order.

- It was reported that we have received an e-mail from the Corps indicating their desire to complete the inspection for the remaining gatewells in the very near future.

- Mr. Huffman reported that the Corps and USGS are preparing to update the flood warning system for Lake County, Gary and Hammond and that a meeting is currently being scheduled to discuss coordination.

Environmental Committee – Dan Gardner referred to the claim sheet listing the monies for the three mitigation properties. The monies are being drawn from the State. TPL is anticipating on closing all three properties before the end of the month. With these closings, the Commission will have met the required 437 acres to fulfill the mitigation requirement on the west reach IDNR permit (we will have acquired 446 acres). We will then contact IDNR for extension of the construction permit to the end of the project (State Line).

Legislative Committee – Committee Chairman George Carlson referred to page 10 in the agenda packet showing House Bill 1001 showing the line item of \$4 million for the LCRBDC. The bill will now go to the Senate. Mr. Carlson also referred to the two support letters from Representative John Aguilera and Hammond Mayor McDermott.

- Dan Gardner reported that he has talked with board members in Highland as well as some of the Representatives. We are hoping that the \$4 million figure will stay in the budget. Although we submitted a request for \$5 million, we need at least the \$4 million to be able to continue acquisition of additional west reach easements needed as well as the Burr Street Phase 2 construction to complete Gary. Mr. Gardner will send a thank you letter to the House members, and contact Senate members. Any contacts made by the Commissioners to the legislators was encouraged.

Recreation Committee - Committee Chairman Bob Huffman reported that we are awaiting a letter from INDOT that will give approval to cross at Cline Avenue for the recreational trail.

- Discussion took place on re-locating the proposed bridge west of Indianapolis Blvd. and north of Tri-State to east of the NIPSCO right-of-way in Stage V-2A. This would eliminate the impact of a trail behind residents west of Kennedy and the trail location would be adjacent to the Visitor's Center.

Policy Committee – No report.

Public Relations Committee – No report.

New Business – Steve Davis inquired whether the 40% minority participation will be adhered to in the new west reach contracts. Jim Pokrajac answered that it is stated in the contract requirements. The Commission will receive ongoing reports once construction has started so we will be able to follow. We will make every effort to contact minority contractors to make them aware of the Corps construction letting.

- Mr. Gardner publicly thanked the city of Hammond for their donation of the easements. Highland has also donated needed easements to the Commission. The willing participation from the municipalities to see this project through and help us with these easement donations is greatly appreciated and acknowledged.

- Mr. Gardner also stated that Hammond and Munster worked very well together in cleaning up a blockage in the river. He thanked Jim Pokrajac for his diligent effort in this issue.

Statements from the Floor - There were none.

There being no further business, the next meeting was scheduled for 6:00 p.m. Wednesday, April 6, 2005.